

From the Chair



OFFICE OF THE ADVISORY COMMITTEE ON BUSINESS APPOINTMENTS

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BUSINESS APPOINTMENT APPLICATION: Lord Gerry Grimstone, former Minister for Investment at the Department for International Trade and Department for Business, Energy and Industrial Strategies. Paid appointment with FinTech Growth Fund

1. You sought advice from the Advisory Committee on Business Appointments (the Committee) under the government's Business Appointments Rules for former Crown servants (the Rules) on taking up a role with FinTech Growth Fund as an Independent Advisory Board Member. The material information taken into consideration by the Committee is set out in the annex.
2. The purpose of the Rules is to protect the integrity of the government. Under the Rules, the Committee's remit is to consider the risks associated with the actions and decisions made during your time in office, alongside the information and influence a former minister may offer FinTech Growth Fund.
3. The Ministerial Code sets out that ministers must abide by the Committee's advice. It is an applicant's personal responsibility to manage the propriety of any appointment. Former ministers of the Crown, and Members of Parliament, are expected to uphold the highest standards of propriety and act in accordance with the 7 Principles of Public Life.

The Committee's consideration of the risks presented

4. As a newly established organisation there is no relationship between FinTech Growth Fund and your former departments, the Department for International Trade (DIT) and the Department for Business Energy and Industrial Strategy (BEIS), nor did you meet with, or make decisions specific to the company. The

Committee¹ therefore considered the risk this appointment could reasonably be perceived as a reward for decisions or actions taken in office as low.

5. As the former Minister for Investment you may have access to general sensitive information which could benefit a range of organisations, including FinTech Growth Fund. The Committee noted your role as Minister for Investment was specific to bringing investment into the UK and you were not responsible for developing trade policy. Further, 4 months have now passed since you left your ministerial position and neither of your former department considers you have access to privileged information that could offer an unfair advantage. It is also significant you have previous experience in the financial services sector, before joining government and are returning to this.
6. As Minister for Investment, you will have gained contacts within the UK government and internationally - within other governments and private companies. As such there is a risk your network and influence gained in office might be used to assist FinTech Growth Fund unfairly. The Committee agree with the recommendation from BEIS and DIT that Lord Grimstone should avoid soliciting funding from BEIS or the British Business Bank, or otherwise use his contacts within government to encourage investment into the fund. As both BEIS and the British Business Bank are part of government, this consistent with and covered by the conditions set out in paragraph 8 below

The Committee's advice

7. The Committee determined the risks identified in this application can be appropriately mitigated by the conditions below. These make it clear you cannot make use of any privileged access to information, contacts or influence gained from your time in ministerial office to the unfair advantage of FinTech Growth Fund.
8. The Committee advises, under the government's Business Appointment Rules, that your role with **FinTech Growth Fund** should be subject to the following conditions:
 - you should not draw on (disclose or use for the benefit of yourself or the persons or organisations to which this advice refers) any privileged information available to you from your time in ministerial office;
 - for two years from your last day in ministerial service, you should not become personally involved in lobbying the UK government or any of its arm's length bodies (for the avoidance of doubt, this would include

¹ This application for advice was considered by Jonathan Baume; Isabel Doverty; Andrew Cumpsty; Sarah de Gay; Dr Susan Liautaud; The Rt Hon Lord Eric Pickles; Richard Thomas; Mike Weir and Lord Larry Whitty.

British Business Bank) on behalf of FinTech Growth Fund (including parent companies, subsidiaries, partners and clients); nor should you make use, directly or indirectly, of your contacts in government and/or Crown service to influence policy, secure business/funding or otherwise unfairly advantage FinTech Growth Fund (including parent companies, subsidiaries, partners and clients);

- for two years from your last day in ministerial office, you should not become personally involved in lobbying contacts you have developed during your time in office and in other governments and organisations for the purpose of securing business for FinTech Growth Fund (including parent companies, subsidiaries and partners); and
- for two years from your last day in ministerial office, you should not provide advice to FinTech Growth Fund on the terms of, or with regard to the subject matter of, a bid with, or contract relating directly to the work of the UK Government (for the avoidance of doubt, this would include British Business Bank).

9. The advice and the conditions under the government's Business Appointment Rules relate to your previous roles in government only; they are separate to rules administered by other bodies such as the Office of the Registrar of Consultant Lobbyists or the Parliamentary Commissioner for Standards. It is your personal responsibility to understand any other rules and regulations you may be subject to in parallel with this Committee's advice.
10. By '*privileged information*' we mean official information to which a Minister or Crown servant has had access as a consequence of his or her office or employment and which has not been made publicly available. Applicants are also reminded that they may be subject to other duties of confidentiality, whether under the Official Secrets Act, the Civil Service Code or otherwise.
11. The Business Appointment Rules explain that the restriction on lobbying means that the former Crown servant/Minister '*should not engage in communication with Government (Ministers, civil servants, including special advisers, and other relevant officials/public office holders) – wherever it takes place - with a view to influencing a Government decision, policy or contract award/grant in relation to their own interests or the interests of the organisation by which they are employed, or to whom they are contracted or with which they hold office*'.
12. You must inform us as soon as you take up employment with this organisation, or if it is announced that you will do so, and we will publish this letter on our website. Any failure to do so may lead to a false assumption being made about whether you had complied with the Rules. You must inform us if you propose to extend or otherwise change the nature of your role as, depending on the circumstances, it may be necessary for you to make a fresh application. Where appropriate, refer to it in the relevant annual report.

The Rt Hon Lord Pickles

Annex - Material information

The role

1. You said FinTech Growth Fund is a venture capital organisation - offering growth stage investment into UK FinTech. The establishment of the Fintech Growth Fund was as a result of the recommendations put forward by the 'Kalifa Review', a government-commissioned examination into the UK fintech sector from former Worldpay executive Sir Ron Kalifa².
2. It will be independent from government, raising capital from institutional investors
3. You said in your paid, part-time capacity as an Independent Advisory Board Member you will be:
 - Strengthening the fund and its team in building a world-class growth equity firm to enable its success and bring superior returns to its investors;
 - Contributing to the fund's portfolio and growth ambitions by advising founders and executives within these firms;
 - Assisting with the identifying, selecting, and winning of attractive fintech investment opportunities; and
 - Ensuring delivery of its ambition to reshape and rebalance the venture and FinTech landscape across the UK and *'leave an enduring legacy'*.
4. You said that *'I served as Minister for Investment for 28 months. The role was unpaid. Prior to accepting the role, I held a variety of roles in the private sector including senior investment banking positions and Chair of two of the UK's largest companies. Standard Life Aberdeen and Barclays Bank. Details of my career are included in the attached bio and CV. I believe this role is, and should be perceived as, another step in restarting my private sector career after a period of unpaid public service, and returning to financial services which I know well, and which have been a core activity of mine for many years, and in which I believe am highly respected. I believe joining this Advisory Board will be seen as something directly relevant to my experience before becoming a Minister and not derived in any way from my Ministerial appointment.'*

Your previous experience includes being an Independent Non-Executive with Deloitte North South Europe; a Board member for Standard

² https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/978396/KalifaReviewofUKFintech01.pdf

Life (Asia) Ltd based in Hong Kong; Senior Adviser with Fenchurch Advisory Partners; Adviser with Natixis; Chairman of Barclays Bank plc and Chairman of Standard Life Aberdeen plc.

Dealings in office

5. You advised the Committee that you did not meet with FinTech Growth Fund during your time in government - it is a new venture. You said you did not have any involvement in policy, regulatory or commercial decisions that would have been specific to the company.
6. You noted your ministerial role was to encourage external investment into the UK, not to develop trade policy

Departmental Assessment

7. Both departments confirmed that you made no policy decisions relating to FinTech Growth Fund and confirmed the details you provided about this appointment.
8. BEIS and DIT confirmed that, as far as they are aware, you had no involvement with individuals involved in FinTech Growth Fund during your time in office.
9. The departments confirmed there was no departmental relationship with FinTech Growth Fund. DIT said that *'Lord Grimstone regularly engaged with investors in his role as Investment Minister. Some of these may have had interests in FinTech, but we have not identified any actual competitors'* and BEIS confirmed this statement.
10. BEIS and DIT recommended that you *'...avoid soliciting funding from BEIS or the British Business Bank, or otherwise use his contacts within HMG to encourage investment into the fund.'*

